Action on CFTRI Report

*613. SHRI PREM CHAND GUPTA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that as per the statement of Director of the Mysore-based Central Food Technology and Research Institute, India is among the largest producers of food articles in the world *i.e.*, about Rs. 70,000 crore per year;

(b) whether, as per the report, past production trend has shown over production in some areas of agriculture and shortage of substantial storage facilities; and

(c) if so, what action Government are taking on this report?

THE MINISTER OF AGRICULTURE (SHRI NITISH KUMAR): (a) It has been ascertained from the Director, Central Food Technologcial Research Institute (CFTRI), Mysore that his statement is based on the Report titled Food & Agriculture Integrated Development Action (FAIDA) which has emanated from a joint study conducted by the Confederation of Indian Industry and Mckinsey & Co. in 1997. The Report has estimated that India is already the World's second largest food producer and has the potential to be the World's No. 1. It was also stated in the Report that food production is expected to double in the next 10 years and the consumption of value added foods to treble during the same period.

(b) and (c) The Report while stating that there is enormous potential to build profitable businesses in food in India in the short to medium term, also points out lack of sufficient infrastructure in storage facility and grading facility etc. The steps recommended for achieving such growth include creation of enabling environment, which actively welcomes large scale investments in food, reducing losses, modernizing the integrated food chain, forward and backward linkages, harmonization of food laws etc.

The Government have taken a number of policy initiatives to

promote the growth of processed food sector in the country. Some of these are as under:—

(i) Under the Plan Schemes of the Department of Food Processing Industries, financial assistance in the form of soft loan and grant is provided to private industries, public sector undertakings, Non-Governmental Organizations, Co-operatives, Human Resource Development Organizations and Research & Development Institutions etc. for the development of processed food sector.

(ii) Food Processing Industries have been included in the list of priority sector for bank lending.

(iii) Most of the processed food items have been exempted from the purview of licensing under Industries (Development & Regulation) Act, 1951.

(iv) Approval for foreign equity in automatic route is available for most of the processed food items except alcohol and beer and those reserved for small scale sector subject to certain conditions.

The proposed national Policy on Food processing envisages creation of enabling environment for developing this sector and infrastructural facilities. The proposed Processed Food Development Act envisages harmonization and simplification of existing laws, development orientation, creation of a development fund, defining standards through a Processed Food Authority etc.

Decline in agricultural production

†*614. SHRI GOPALSINH G. SOLANKI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether there has been any fall in the Gross Domestic Product, compared to last year, due to the decline in agricultural production in some States;

(b) if so, the details thereof and the reasons therefor; and

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†Original notice of the question was received in Hindi.